

# WASHINGTON BUSINESS JOURNAL

April 10-16, 2009

## Chevy Chase Bank sale leaves trust unit alone

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When Chevy Chase Bank sold to Capital One Financial Corp. in February, some of its subsidiaries were left out of the deal. Among them: Chevy Chase Trust.

Since then, the Bethesda-based wealth management company has spent a lot of time telling people that business post Chevy Chase Bank will be business as usual.

“Really, nothing” is changing, said CEO Peter Welber. “Chevy Chase Trust operated, for all intents and purposes, as a stand-alone investment management boutique with trust capabilities while it was owned by Chevy Chase Bank. It will continue that way for years to come.”

Bankers often tout the synergies between their banking and wealth management operations. But Welber says those synergies were minimal between his company and Chevy Chase Bank, given their vastly different target markets.

The trust caters to high net worth individuals and families with \$2 million to \$30 million in investable assets, a far richer clientele than the bank’s customers, Welber said. “We got over 80 percent of our new business from independent sources.”

The Chevy Chase Trust name could be confusing for clients, especially after Chevy Chase Bank branches are converted to the Capital One Bank moniker. However, Welber says, the name is here to stay.

“We decided that Chevy Chase Trust is a recognizable name, and it carries the right image,” he said. “We felt it was a brand we could build on.”

Chevy Chase Trust was founded in 1999 as a spinoff from ASB Capital Management LLC, an institutional investment company also previously owned by Chevy Chase Bank. ASB Capital Management and Chevy Chase Trust are still owned by



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**While Chevy Chase Bank has been absorbed by Capital One Financial, its former subsidiary, Chevy Chase Trust, carries on as an independent company with CEO Peter Welber still at the helm.**

the B.F. Saul family and share some senior managers, including Welber, who is CEO of both businesses.

Chevy Chase Trust now has about 50 employees, \$2.4 billion in assets under management and \$13 billion in total assets.

Some of its investments have soared in value even as most of the market has tanked. The company’s multi-cap equity portfolio, for example, is up 27 percent since its inception in 2001. Over the same period, the Standard & Poors 500 Index is down 15.3 percent.

Given its performance, Chevy Chase Trust has attracted the attention of many potential clients, as well as interest from

other wealth managers looking to sell their businesses, Welber said.

“This could be a once-in-a-career opportunity” to benefit from the upheaval in the wealth management industry, he said.

Welber hopes to double the company’s assets under management to \$5 billion over the next three years.

Andrew Reese, a recruiter with The McCormick Group Inc. who specializes in the wealth management industry, agrees that Chevy Chase Trust is well-positioned to benefit from the turmoil roiling many large conglomerate institutions.

“How much [they benefit] depends on how well they execute,” he said.